

Message Text

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SUBJECT: WASHINGTON POST STORY ON SOUTH AFRICAN SUGAR LOBBY
ON SOUTH AFRICAN SUGAR LOBBY
THE FOLLOWING STORY APPEARED ON PAGE ONE OF THE WASHINGTON
POST OF JULY 21, 1977, TITLE, SOUTH AFRICAN LOBBY SUED ON
HILL GIFTS: JUSTICE CHARGES SUGAR INTERESTS AIDED REPS.
POAGE, WAMPLER. - -

QUOTE: THE JUSTICE DEPARTMENT YESTERDAY CHARGED THAT
REPRESENTATIVES OF SOUTH AFRICAN SUGAR-PRODUCING INTERESTS
MADE SECRET CASH CAMPAIGN CONTRIBUTIONS AND PROVIDED PRIVATE
JET TRANSPORTATION TO STAFF AND MEMBERS OF THE HOUSE AG-
RICULTURE COMMITTEE

THE SOUTH AFRICANS WERE COMPETING WITH OTHER SUGAR-GROWING
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COUNTRIES FOR HIGHER U.S. IMPORT QUOTAS BETWEEN 1970 AND
1974, THE TIME OF THE ALLEGED GIFTS.

THE CHARGES WERE CONTAINED IN A SUIT FILED IN U.S. DISTRICT
COURT HERE SEEKING TO FORCE THE REPRESENTATIVES TO DISCLOSE
ALL DETAILS OF THEIR LOBBYING HERE.

THE SUIT SAYS THAT THE SOUTH AFRICAN INTERESTS PROVIDED EXECUTIVE JET TRANSPORT FOR REP. W.R. POAGE (D-TEX.) ON TWO SEPARATE TRIPS TO SOUTH AFRICA. POAGE, WHO WAS CHAIRMAN OF THE AGRICULTURE COMMITTEE AT THE TIME, ALSO RECEIVED CASH CAMPAIGN CONTRIBUTIONS ON TWO OCCASIONS, THE SUIT SAYS.

THE SUIT SAYS THAT THE SOUTH AFRICAN SUGAR ASSOCIATION (SASA) FINANCED A 10-DAY TRIP IN AUGUST, 1973, TO THAT COUNTRY FOR REP. WILLIAM C. WAMPLER (R-VA.), A MEMBER OF THE AGRICULTURE COMMITTEE, AND JOHN F. O'NEAL, WHO WAS THEN GENERAL COUNSEL OF THE COMMITTEE.

NAMED IN THE COMPLAINT ARE THE NEW YORK LAW FIRM OF CASEY, LANE AND MITTENDORF AND TWO ATTORNEYS FORMERLY WITH THE FIRM, JOHN R. MAHONEY AND PHILIP MCKNIGHT. A SPOKESMAN SAID THE FIRM, WHICH ONCE REGISTERED AS LOBBYIST FOR SASA, SAID IT NO LONGER REPRESENTS THE SOUTH AFRICANS.

ALSO NAMED WERE THE SOUTH AFRICAN FOUNDATION IN WASHINGTON AND JOHN H. CHETTLE, ITS DIRECTOR. CHETTLE WAS ON VACATION AND COULD NOT BE REACHED YESTERDAY.

THE SUIT SAYS THAT THE "STATED PURPOSE OF THE FOUNDATION IS TO PROMOTE AN UNDERSTANDING OF SOUTH AFRICA, HER ACHIEVEMENTS, PROBLEMS AND POTENTIAL." BUT JUSTICE SAYS UNCLASSIFIED

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THE FOUNDATION OFTEN WAS USED AS A FRONT FOR SOUTH AFRICA-BASED SASA, SOME OF WHOSE OFFICIALS WERE ALSO OFFICIALS OF THE FOUNDATION.

A CHECK AT JUSTICE OF THE FOUNDATION'S FILINGS, MADE UNDER THE FOREIGN AGENTS REGISTRATION ACT, SHOWS THAT IT FINANCED TRIPS TO SOUTH AFRICA FOR JOURNALISTS AND POLITICIANS, AMONG OTHERS.

DURING THE PERIOD FROM MAY 22, 1970 TO NOV. 22, 1972, "THE FOUNDATION SPONSORED THE SOUTH AFRICAN VISIT OF MR. AND MRS. JOHN FLYNT."

REP. FLYNT (D-GA.) IS CHAIRMAN OF THE HOUSE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT, WHICH IS PROBING ALLEGED KOREAN INFLUENCE-BUYING IN CONGRESS.

FOR SUGAR-PRODUCERS, HIGH U.S. QUOTAS MEANT MILLIONS OF DOLLARS IN SALES. INDEED, LOBBYING BY SUGAR-GROWING COUNTRIES BECAME SO INTENSE THAT IT CAUSED FORMER SEN. WILLIAM J. FULBRIGHT (D-ARK.) IN 1966 TO INTRODUCE LEGI-

SLATION TO BROADEN THE FOREIGN AGENTS REGISTRATION ACT.

THE AMENDMENT PROVIDED FOR CIVIL PENALTIES FOR FAILURE BY LOBBYISTS TO DISCLOSE TO JUSTICE THE EXTENT OF THEIR ACTIVITIES.

SOUTH AFRICA REPORTEDLY SOLD \$125 MILLION WORTH OF SUGAR TO THE UNITED STATES FROM THE LATE 1960'S UNTIL 1974, WHEN THE SUGAR ACT WAS NOT RENEWED AND, AS A RESULT, THE COUNTRY-BY-COUNTRY QUOTAS ENDED.

CASEY, LANE AND MITTENDORF, ACCORDING TO FILINGS WITH JUSTICE, COLLECTED ABOUT \$800,000 IN FEES FROM SASA FROM 1962 UNTIL RECENTLY WHEN THE RELATIONSHIP ENDED.
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THE JUSTICE SUIT SAYS THAT IN 1970 POAGE AND OTHER CONGRESSMEN WERE ON A TRIP THROUGH AFRICA WHEN THE SOUTH AFRICANS OFFERED A PRIVATE EXECUTIVE JET TO TRANSPORT HIM AND TWO UNNAMED CONGRESSMEN ROUNDTrip BETWEEN SOUTH AFRICA AND RHODESIA.

"KNOWING THAT THE SASA HOSPITALITY SO PROFERRED WOULD CREATE A CONFLICT-OF-INTEREST SITUATION," THE SUIT SAYS, THE DEFENDANTS "ARRANGED TO MAKE IT APPEAR OUTWARDLY THAT THE FOUNDATION, RATHER THAN SASA, WAS HOST."

IN 1972, MAHONEY AND MCKNIGHT LEARNED THAT POAGE WOULD BE IN RHODESIA WITH HIS ADMINISTRATIVE ASSISTANT, C. DOYLE HENINGTON. SASA AGAIN PAID FOR A JET AND AGAIN MASKED ITS CONTRIBUTION, THE SUIT CHARGES.

THE SUIT SAYS THAT THE SOUTH AFRICAN FOUNDATION WAS ALSO USED TO DISGUISE SASA'S FINANCING OF THE WAMPLER-O'NEAL TRIP IN 1973. WAMPLER SAID LAST NIGHT THAT AS FAR AS HE KNEW, THE FOUNDATION FINANCED HIS TRIP.

POAGE FAILED TO RETURN A TELEPHONE CALL YESTERDAY, BUT HENINGTON, WHO MADE THE SECOND TRIP, SAID THAT THE CONGRESSMAN THOUGHT THAT HIS FIRST JET TRIP WAS ARRANGED BY THE U.S. EMBASSY IN SOUTH AFRICA. THE SECOND JET TRIP, HE SAID, WAS FINANCED BY AN ASSOCIATION OF SOUTH AFRICAN COTTON GROWERS, WHOM HE SAID HE ADDRESSED.

POAGE WAS OUSTED FROM THE CHAIRMANSHIP OF THE AGRICULTURE COMMITTEE IN 1975 BY THE HOUSE DEMOCRATIC CAUCUS.

IN NOVEMBER, 1971, ACCORDING TO THE SUIT, SASA, THROUGH
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MAHONEY BOUGHT EIGHT ROUND TRIP AIRLINE TICKETS BETWEEN WASHINGTON AND DALLAS, VALUED AT \$1,800 IN THE NAME OF A NOMINEE. THAT PERSON THEN ENDORSED THE TICKETS OVER TO POAGE.

HENINGTON SAID LAST NIGHT, "POAGE TOOK THE TICKETS AS A GIFT, RATHER THAN A CONTRIBUTION." HE SAID THEY WERE NEVER AGAIN ABLE TO LOCATE THE NOMINEE, WHOM THEY KNEW ONLY AS "HAILEY."

MAHONEY ALSO MADE A \$1,000 CASH CONTRIBUTION TO THE DEMOCRATIC CONGRESSIONAL CAMPAIGN COMMITTEE, WHICH THE SUIT SAYS WAS "SPECIFICALLY ALLOCATED" TO POAGE.

THE SUIT SAYS THE MONEY CAME FROM SASA, BUT THAT MAHONEY MADE IT LOOK AS IF THE CONTRIBUTION CAME FROM HIS OWN FUNDS.

HENINGTON COMMENTED, "WE NEVER WERE PRIVY TO A GREAT DEAL OF THE INFORMATION THAT JUSTICE GOT." UNQUOTE. VANCE

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